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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/570,055

Applicant(s)

UMAPATHY, PRAKASHAM

Examiner

CARRIE A. STRODER

Art Unit

3689

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 04 June 2010.
2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-6, 8-19 and 21-26 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) 1-6, 8-19, 21-26 is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/GS/US)
Paper No(s)/Mail Date _____
4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____

DETAILED ACTION

1. This is in response to the applicant's communication filed on 04 June 2010, wherein:

Claims 1-6, 8-19, and 21-26 are currently pending;

claims 1-2, 6, 8-19, 21 are currently amended;

claims 7 and 20 are cancelled; and

claims 22-26 are new.

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. **Claims 1-5 and 22-25 are rejected under 35 U.S.C. § 101**

because the claimed invention is directed to non-statutory subject matter.

In order for a method to be considered a "process" under §101, a claimed process must either: (1) tied to a particular machine or apparatus, or (2) transforms a particular article to a different state or thing. This is called the "machine or-transformation test". In re Bilski, 545 F.3d 943, 88 USPQ2d 1385 (Fed. Cir. 2008). If neither of these requirements is met by the claim, the method is not a patent eligible process under §101 and is non-statutory subject matter.

There are two corollaries to the machine-or-transformation test. First, a mere field-of-use limitation is generally insufficient to render an otherwise ineligible method claim patent-eligible. This means the machine or transformation must impose meaningful limits on the method claim's scope to pass the test. Second, insignificant extra-solution activity will not transform an unpatentable principle into a patentable process. This means reciting a specific machine or a particular transformation of a specific article in an insignificant step, such a data gathering or outputting, is not sufficient to pass the test.

With respect to claims 1-5 and 22-25, the claim language does not include the required tie to a particular machine or apparatus or transformation and thus is directed to nonstatutory subject matter.

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

4. **Claims 1-6, 8-11, 13-16, and 21-26 are rejected under 35 U.S.C. 102(b) as being anticipated by Harif (US 20020087881).**

Referring to claim 1:

Harif discloses

A) Capturing the business event details with a predefined set of handles (paragraphs 32 and 55; "Included with this definition is the concept of wrapping data packets with addressing information, executable instructions, routing instructions, security information, arbitration information, authentication information, packet size, etc.");

B) Monitoring the Event continuously as a floating event and updating the status of the handles until the predefined life cycle of the event is completed (paragraph 38; "The set of programming instructions 302 may also include a description of the limits of propagation for the requested processing. Propagation may be considered as the dispersal of specific information to a finite number of recipients. For example, the propagation of agents 20 which will be instantiated by the network server 14, as described in detail below, may be defined by programming instructions 302. The propagational limits may incorporate criteria supplied by the network client 12. The scope of the propagation may be time limited.");

C) Holding the Completed event details in the archived event data base, which data base is maintained on a recordable medium (paragraphs 45 & 52 and Fig. 1; "If awarded, the FRC records an entry in the task ID database" and where Fig. 1 shows the Financial Resource Center contains a storage device, which is interpreted as a recordable medium);

D) Making the data available on a shared basis for generating accounting records by members (paragraph 45; "The Financial Resolution Center, or FRC, is a central processing location providing all users of the heterogeneous network (clients, servers, hosts, agents, etc.) with a centralized accounting and billing resolution system.").

Referring to claim 2:

Harif discloses wherein monitoring is carried out by a processor (paragraph 38; "The set of programming instructions 302 may also include a description of the limits of propagation for the requested processing. Propagation may be considered as the dispersal of specific information to a finite number of recipients. For example, the propagation of agents 20 which will be instantiated by the network server 14, as described in detail below, may be defined by programming instructions 302. The propagational limits may incorporate criteria supplied by the network client 12. The scope of the propagation may be time

limited." and where a server is interpreted to include a processor).

Referring to claim 3:

Harif discloses wherein an event is designated with a pre-configured set of associated handles (paragraphs 32 and 55; "Agents may perform standard, frequently requested processes...").

Referring to claim 4:

Harif discloses wherein the handles of an event originated by one of the members are filled up by subsequent actions of the other members associated with the transaction (paragraphs 32 and 55; "Another type of standard agent may perform funding authorization, providing additional funding to agents performing activities for pre-approved clients and within pre-approved hosts. An agent may request additional funding from such a funding agent running on the same host. Another type of standard agent may perform access authorization, providing rule-based response to information from authorized agents on the host, in conjunction with the accesses allowed it by the server. Also, there may be standard agents to perform process control, monitoring all affiliated agents running the same process set on the host, responding to events through rules, bounded by their access and control authorizations.").

Referring to claim 5:

Harif discloses wherein the accounting records of each of the members is generated as per pre-configured reports (paragraph 47; where "transaction summaries" is interpreted as a pre-configured report).

Referring to claim 6:

Harif discloses

a primary system and a secondary system (paragraph 29 and Fig. 1; "In the embodiment of Fig. 1, the heterogeneous network is connecting network client 12, network server 14, network host 16, and financial resolution center 22.");

the primary system:

being capable of interacting with the secondary system when network connection is established (paragraph 29 and Fig. 1; where the arrows in Fig. 1 show interaction between systems);

being capable of capturing the business event details with a predefined set of handles (paragraphs 32 and 55; "Agents may perform standard, frequently requested processes..."); and

comprising: a user registration subsystem, a user authentication subsystem, a floating events subsystem, an archived events subsystem, and a risk management subsystem (Fig. 1 and Fig. 4; where "subsystems" are interpreted as computer programs and where the name of the subsystems does not patentably distinguish over the prior art).

Further, "being capable of interacting with the secondary system when network connection is established" and "being capable of capturing the business event details with a predefined set of handles" are statements of intended use. Statements of intended use do not limit the scope of a claim or claim limitation. See MPEP 2106.

Referring to claim 8:

Harif discloses wherein in the reconciliation statement of business transactions with different entities is embedded in the system of recording of the business transaction itself so as to enable the reconciliation statement to be generated on the fly as a type of status of the event object (paragraph 49; "Program instructions 72 may include various program instructions used to implement functions of the FRC 22, such as program instructions used to implement the methods described herein. For example, program instructions 72 may include instructions regarding the reconciliation of user accounts." and where "so as to enable the reconciliation statement to be generated on the fly as a type of status of the event object" is not a positive claim limitation, and as such, receives little patentable weight).

Further, the claim is a system claim; however, the limitation does not further limit the system, and therefore, receives little patentable weight.

Referring to claim 9:

Harif discloses wherein multi party transactions are accounted concurrently in Cyber Space (paragraph 45; "The Financial Resolution Center, or FRC, is a central processing location providing all users of the heterogeneous network (clients, servers, hosts, agents, etc.) with a centralized accounting and billing resolution system. This high-volume, transaction-based system may handle billions of micro-transactions as well as high-value, negotiated fund transfers.").

Further, the claim is a system claim; however, the limitation does not further limit the system, and therefore, receives little patentable weight.

Referring to claim 10:

Harif discloses wherein accounting records at the responding enterprise get automatically updated partially from the sharable data from the originating entry so that complimentary data entry requirement is eliminated (paragraph 47; "For example, each time an accredited member posts a charge to the FRC, it may list its own identification, the task ID, and the amount of the charge. These records are kept for billing to the charged entity, (e.g., the owner of a network client such as client 12) and aggregated into the ledger of accounts for each

entity." and where "so that complimentary data entry requirement is eliminated" is not a positive claim limitation and therefore, receives little patentable weight).

Further, the claim is a system claim; however, the limitation does not further limit the system, and therefore, receives little patentable weight.

Referring to claim 11:

Harif discloses wherein the transactions are held in a "Floating Container" whose "Full" or "Empty" status indicates the status of reconciliation of the transaction (paragraph 47; "...providing financial information and reconciling accounts" and "At the end of each billing period, the accumulated debits and credits posted for each accredited institution are resolved" indicates that the status of each transaction, as either yet to be reconciled, or reconciled, is tracked and where Examiner gives little patentable weight to the names "floating container" and "full" and "empty").

Further, the claim is a system claim; however, the limitation does not further limit the system, and therefore, receives little patentable weight.

Referring to claim 13:

Harif discloses wherein the reconciliation of a multi party transaction is captured as a multi dimensional reconciliation

statement reflecting both the financial and non financial parameters of the transaction (paragraphs 45-47; "...solving for minimum number of transactions among participating partners..." and "...providing financial information and reconciling accounts" and where "multi dimensional reconciliation statement" is interpreted in light of the specification, page 17, which states "CAS provides a new dimension to the reconciliation statement in respect of multi party transactions. Unlike the traditional reconciliation system which is tracking the records between two parties from the known value to an unknown value through a recording of a series of transactions not accounted in the books, the reconciliation statement prepared by CAS provides an absolute value of pending transactions for all combinations of transaction parties.").

Further, the claim is a system claim; however, the limitation does not further limit the system, and therefore, receives little patentable weight.

Referring to claim 14:

Harif discloses wherein records at one of the entities modified before an originating entry is passed at another entity in the conventional accounting process are accounted simultaneously at both ends (paragraph 47; "At the end of each billing period, the accumulated debits and credits posted for

each accredited institution are resolved, and transaction summaries are sent to each entity...").

Further, the claim is a system claim; however, the limitation does not further limit the system, and therefore, receives little patentable weight.

Referring to claim 15:

Harif discloses wherein a secured common database of transactions serves the accounting requirements of multiple members (paragraphs 6 & 45; "...centralized accounting and billing system...").

Referring to claim 16:

Harif discloses wherein the data base can be distributed and partly held as a common sharable database and partly as a member controlled database to which pointers can be provided in the shared database along with secured access control (paragraphs 31 & 35; "...include access information..." and "For example, the data to be processed may reside on the client, and the payload 30 may contain only a pointer to the data..." and further, "can be..." is not a positive claim limitation and therefore, receives little patentable weight)

Referring to claim 21:

Harif discloses wherein multiple parties to a transaction collaboratively build data by adding inputs to different handles

associated with the transaction (paragraphs 45 & 55; "The Financial Resolution Center, or FRC, is a central processing location providing all users of the heterogeneous network (clients, servers, hosts, agents, etc.) with a centralized accounting and billing resolution system." and "...agents may provide special user defined processes.").

Further, the claim is a system claim; however, the limitation does not further limit the system, and therefore, receives little patentable weight.

Referring to claim 22:

Harif discloses wherein an entity administering the system registers multiple users who can concurrently operate on an event that affects any one or more of them (paragraphs 45-47; "The Financial Resolution Center, or FRC, is a central processing location providing all users of the heterogeneous network (clients, servers, hosts, agents, etc.) with a centralized accounting and billing resolution system. This high-volume, transaction-based system may handle billions of micro-transactions as well as high-value, negotiated fund transfers." and "Users may apply for membership to the network through FRC, with the FRC determining which users to allow into the network based upon the user's qualifications.").

Referring to claim 24:

Harif discloses capturing reconciliation of a multi party transaction as a multi dimensional reconciliation statement reflecting both the financial and non financial parameters of the transaction (paragraphs 45-47; "...solving for minimum number of transactions among participating partners..." and "...providing financial information and reconciling accounts" and where "multi dimensional reconciliation statement" is interpreted in light of the specification, page 17, which states "CAS provides a new dimension to the reconciliation statement in respect of multi party transactions. Unlike the traditional reconciliation system which is tracking the records between two parties from the known value to an unknown value through a recording of a series of transactions not accounted in the books, the reconciliation statement prepared by CAS provides an absolute value of pending transactions for all combinations of transaction parties.").

Referring to claim 25:

Harif discloses multiple parties to a transaction collaboratively building data by adding inputs to different handles associated with the transaction (paragraphs 45 & 55; "The Financial Resolution Center, or FRC, is a central processing location providing all users of the heterogeneous network (clients, servers, hosts, agents, etc.) with a

centralized accounting and billing resolution system." and
"...agents may provide special user defined processes.").

Referring to claim 26:

Harif discloses wherein the predefined handles comprise: an Event Tracking Handle, an Originating Party Handle, a Destination Party Handle, an Intermediary Parties Handle, a Document Type Handle, an Archive Location Handle, a Value Handle, a Transaction Handle Associated with the Event, an Information Exchange Handle for Delivery and Acceptance between the event connected parties, or a plurality thereof (paragraph 32; "Included with this definition is the concept of wrapping data packets with addressing information, executable instructions, routing instructions, security information, arbitration information, authentication information, packet size, etc.").

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 12 and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Harif (US 20020087881), in view of Official Notice.

Referring to claim 12:

Examiner takes Official Notice that using color to track the status of a transaction would have been obvious to a person having ordinary skill in the art at the time of the invention. Color has long been used to draw the user's attention to a particular item, or to differentiate between two items. For example, in the art of accounting, red is frequently used to indicate a debit, or money spent, while black is used to indicate a credit, or money earned. This is exemplified by the expressions "in the red" used to indicate someone that is losing money and "in the black" used to indicate someone that is earning money.

Harif does not disclose; however, Official Notice discloses wherein the users can visually track the status of a transaction with an appropriate color code.

It would have been obvious for a person of ordinary skill in the art (PHOSITA) at the time of invention to modify the disclosures of Harif by using color as taught by Official Notice because this would make it easier for users to quickly

identify the status of transactions, thereby improving user satisfaction.

Further, the claim is a system claim; however, the limitation does not further limit the system, and therefore, receives little patentable weight.

Referring to claim 23:

Claim 23 is rejected on the same basis as claim 12.

3. Claims 17-19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Harif (US 20020087881), in view of Smith et al. (US 20020147668).

Referring to claim 17:

Harif discloses a system and method for completing tasks and tracking records of multiple entities. Harif does not disclose wherein the members can use both real time as well as non real-time data synchronization for creation of accounting records.

However, Smith teaches wherein the members can use both real time as well as non real-time data synchronization for creation of accounting records (paragraph 13; "The preferred embodiments of the present invention allow the user to retrieve real-time financial transaction information from a financial institution" and where it is implied that non real-time is an alternative).

It would have been obvious for a person of ordinary skill in the art (PHOSITA) at the time of invention to modify the disclosure of Harif by using real-time synchronization as taught by Smith because this allows the business owner to make informed financial decisions based on accurate and current information.

Further, the claim is a system claim; however, the limitation does not further limit the system, and therefore, receives little patentable weight.

Referring to claim 18:

Harif discloses a system and method for completing tasks and tracking records of multiple entities. Harif does not disclose wherein in the input templates can be integrated with legacy accounting systems for automatic migration from existing systems.

However, Smith teaches wherein in the input templates can be integrated with legacy accounting systems for automatic migration from existing systems (paragraph 42; "Application program 42 can integrally incorporate a database module or simply provide the interface that operates upon information held in an external database." and further, "for automatic migration from existing systems" is a statement of intended use and therefore, receives little patentable weight).

Further, the claim is a system claim; however, the limitation does not further limit the system, and therefore, receives little patentable weight.

Referring to claim 19:

Harif does not disclose; however, Smith teaches wherein an inherent risk management system tracks the transactions and develops alerts (paragraph 45; "Among the various types of possible reports 44e, application 42 preferably can generate various accounting and budget status reports-whether upon request by the user 10 or customized to do so automatically at regular intervals or upon the happening of some specified event.").

Response to Arguments

Applicant's arguments filed 04 June 2010 have been fully considered but they are not persuasive.

Examiner notes that claim 3 has "currently amended" as its status identifier, but is unchanged from the previous set of claims. Examiner assumes that this is a typo, and the proper status identifier is "previously presented."

Rejection under 35 USC 101

Applicant argues that claims 1-5 and 22-25 contain statutory subject matter. Examiner respectfully disagrees. Applicant first argues that claim 1 transforms the recordable

medium. However, this is not the sort of transformation that is referred to by Bilski, which states, "Purported transformations or manipulations simply of public or private legal obligations or relationships, business risks, or other such abstractions cannot meet the test because they are not physical objects or substances and they are not representative of physical objects or substances."

Applicant further argues that claim 2 recites at least a portion of the method employs a processor, which satisfies the machine prong of the machine or transformation test. Although claim 2 recites the use of a processor, the step that the processor is linked to is not a significant step, and further, the processor is not a recitation of a *particular* machine.

Rejections under 35 USC 102(b) and 35 USC 103

Applicant argues that the claimed invention is designed to generate concurrent accounting entries on a real time basis. Examiner must interpret the claims in the broadest reasonable manner and may not read limitations from the specification into the claims. This limitation is not in the claims.

As to claim 12, applicant traverses Examiner's Official Notice. However, as the traversal is inadequate, the Official Notice rejection stands. "To adequately traverse such a finding, an applicant must specifically point out the supposed

errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art" (MPEP 2144.03C). Applicant merely states, without support or specifically pointing out the supposed error(s), that applicant traverses the rejection. Applicant does not even positively assert that the elements which he alleges are not capable of instant and unquestionable demonstration as being well-known are the elements which are addressed by Examiner's Official Notice, much less specifically pointing out the supposed error(s), including stating why the noticed fact is not common knowledge or well known in the art. Therefore, applicant's traversal of Examiner's Official Notice is inadequate.

"If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate" (MPEP 2144.03C). Examiner hereby asserts that the Official Notice is taken to be admitted prior art because

applicant failed to adequately traverse the examiner's assertion of Official Notice.

Conclusion

4. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Contact

Any inquiry concerning this communication or earlier communications from the examiner should be directed to CARRIE A. STRODER whose telephone number is (571)270-7119. The examiner can normally be reached on Monday - Thursday 8:00 a.m. - 5:00 p.m. ET.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jan Mooneyham can be reached on (571)272-6805. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/CARRIE A. STRODER/
Examiner, Art Unit 3689

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